



# MICHIGAN ECONOMIC UPDATE

Office of Revenue and Tax Analysis  
Michigan Department of Treasury

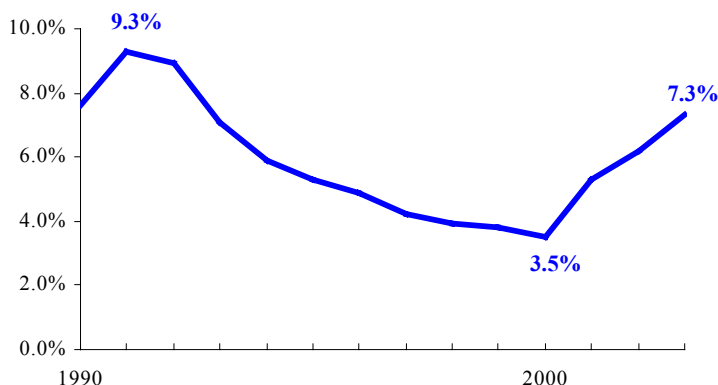
<http://www.michigan.gov/treasury>

## *January 2004 Economic and Employment Summary*

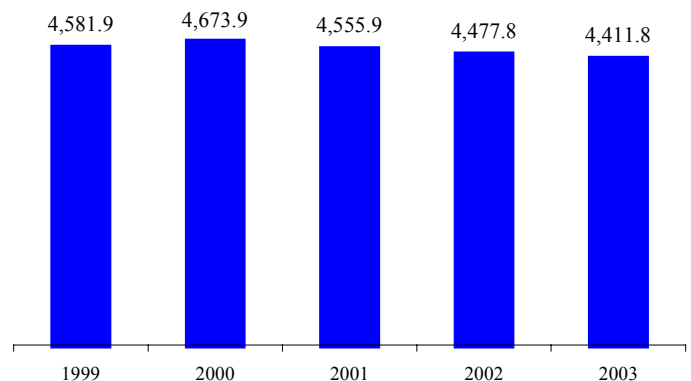
**U.S. Economy:** January economic indicators continue to remain positive for the U.S. economy. ISM indices signaled an expanding manufacturing sector for the eighth straight month and an expanding services sector for the tenth consecutive month. The index of leading economic indicators has risen for the past nine months. For the fifth straight month, industrial production was up from a year ago. Retail sales were up from the past month and increased 6.1 percent from a year ago. Consumer sentiment increased greatly in January, however February readings showed a decrease that wiped out the January gain. The weekly initial unemployment claims four-week moving average at the end of January was 345,500, as unemployment claims continue to decline.

**Employment:** Michigan's January 2004 unemployment rate fell to 6.6 percent, down from the 7.6 percent rate recorded in December 2003. Due to benchmark revisions by the Michigan Department of Labor and Economic Growth mandated by the U.S. Department of Labor, 2004 labor force statistics are not comparable with pre-2004 data. Michigan's unemployment rate for 2003 was 7.3 percent, up from the preliminary rate of 7.0 percent reported in last month's *Update*. Michigan payroll employment declined 14,000 in January 2004 to 4,378,000. Michigan's average payroll employment for 2003 was 4,411,800, down 66,000 from 2002 and down over 262,000 from the 2000 peak. Nationally, the unemployment rate declined to 5.6 percent in January. The U.S. annual average unemployment rate for 2003 was 6.0 percent. Payroll employment increased 112,000 from December 2003. National average payroll employment for 2003 was 129.9 million, down 0.4 million jobs from 2002 and nearly 1.9 million jobs below the 2000 average.

**Michigan's Annual Average  
Unemployment Rate**



**Michigan's Annual Average  
Payroll Employment  
(thousands)**



Jeff Guilfoyle  
Manager, Forecasting

Thomas Patchak-Schuster  
Senior Economist

Andrew Lockwood  
Economist

Mindy Parshall  
Executive Secretary